United Nations A/C.2/53/SR.35

General Assembly
Fifty-third session

Official Records

Distr.: General
18 November 1998

Original: English

Second Committee

Summary record of the 35th meeting
Held at Headquarters, New York, on Friday, 6 November 1998, at 10 a.m.

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98-82171 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 91: Macroeconomic policy questions (*continued*)

(a) Trade and development (*continued*)

Draft resolution on international trade and development (*A/C.2/53/L.26*)

1. **Ms. Djatmiko-Singgih** (Indonesia), introducing the draft resolution on behalf of the Group of 77 and China, said that the Group of 77 and China recognized the importance of the expansion of international trade as an engine of growth and development and, in that context, the urgent need for expeditious and complete integration of developing countries into the international trading system. The draft resolution was deliberately short, at the risk of losing many important and hard-won paragraphs, in order to highlight the real and immediate problems of developing countries and identify priorities in the trade liberalization process. She drew attention to an editorial change in paragraph 14 and appealed to Committee members to support the draft resolution.

Agenda item 94: Environment and sustainable development (*continued*)

(a) Implementation of and follow-up to the outcome of the United Nations Conference on Environment and Development, including the outcome of the nineteenth special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 (*continued*)

Draft resolution on the implementation of commitments undertaken at the United Nations Conference on Environment and Development and the nineteenth special session of the General Assembly (A/C.2/53/L.25)

2. **Mr. Hapsoro** (Indonesia), introducing the draft resolution on behalf of the Group of 77 and China, noted the significance of the United Nations Conference on Environment and Development, held in Rio de Janeiro, and of the nineteenth special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21. Stressing the importance of the implementation of the Programme of Action for the Further Implementation of Agenda 21, adopted at the nineteenth special session of the General Assembly, and of the next comprehensive review of the implementation of Agenda 21, to be carried out in the year 2002, he appealed to all Committee members to support the draft resolution.

3. **Ms. Krishna** (India), coordinator of the negotiations on the draft resolution, said that its focus was on the follow-up to the Rio Conference and the nineteenth special session of the General Assembly, not only because of their contribution to international cooperation on the environment and development but also because the latter had been the first in a series of reviews of the major global conferences of the 1990s. The Group of 77 and China attached the greatest importance to Agenda 21 and the outcomes of the special session, to which the work of the Commission on Sustainable Development, the Economic and Social Council and the General Assembly could give further impetus.

4. The draft resolution was short and focused on the need for thorough preparations for the next review in the year 2002 through, in particular, the submission of an annual analytical report that would provide an overview of activities carried out by Governments and by the United Nations system to implement Agenda 21 and the outcomes of the nineteenth special session. It was hoped that such a report would help to identify constraints on that process and lead to the formulation of recommendations on overcoming them. The preparations must fully take into account the deliberations of the Commission on Sustainable Development under its multi-year programme of work. The Group of 77 and China looked forward to working closely with their partners in order to revive the spirit that had prevailed during the Rio Conference, particularly in the deliberations on Agenda 21, and during the nineteenth special session.

The meeting rose at 10.35 a.m.

United Nations A/C.2/53/SR.36

General Assembly
Fifty-third session

Official Records

Distr.: General
23 November 1998

Original: English

Second Committee

Summary record of the 36th meeting
Held at Headquarters, New York, on Tuesday, 10 November 1998, at 10 a.m.

Chairman: Mr. Asadi ..... (Islamic Republic of Iran)

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Agenda item 91: Macroeconomic policy questions (*continued*)

(a) Trade and development (*continued*)

(b) Financing of development, including net transfer of resources between developing and developed countries (*continued*)

Agenda item 93: Sustainable development and international economic cooperation (*continued*)

(c) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) (*continued*)

(f) Implementation of the Programme of Action of the International Conference on Population and Development (*continued*)

Agenda item 94: Environment and sustainable development (*continued*)

(d) Convention on Biological Diversity (*continued*)

Agenda item 96: Training and research (*continued*)

(b) United Nations Institute for Training and Research (*continued*)

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) (*continued*)

Agenda item 95: Operational activities for development (*continued*)

Agenda item 114: Programme planning

Agenda item 12: Report of the Economic and Social Council

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98-82234 (E)

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Organization of work

Agenda item 91: Macroeconomic policy questions (*continued*)

Panel discussion

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The meeting was called to order at 10.15 a.m.

Agenda item 91: Macroeconomic policy questions (*continued*) (A/C.2/53/L.34, A/C.2/53/L.28)

(a) Trade and development (*continued*)

Draft resolution on transit environment in the landlocked States in central Asia and their transit developing neighbours (A/C.2/53/L.34)

1. **Ms. Arystanbekova** (Kazakhstan), introducing draft resolution A/C.2/53/L.34, said that the Islamic Republic of Iran should be added to the list of sponsors. She expressed the hope that the members of the Committee would give it their consensus support.

(b) Financing of development, including net transfer of resources between developing and developed countries (*continued*)

Draft resolution on high-level international intergovernmental consideration of financing for development (A/C.2/53/L.28)

2. **Ms. Kelley** (Secretary of the Committee) said that, based on preliminary indications, it was anticipated that the organizational meeting referred to in paragraph 3 would cover up to two working days with two meetings per day and would require interpretation and documentation in six languages. The exact timing of the meeting would be determined after consultations and would be subject to the availability of conference-servicing facilities.

3. *Draft resolution A/C.2/53/L.28 was adopted.*

Agenda item 93: Sustainable development and international economic cooperation (*continued*) (A/C.2/53/L.31 and A/C.2/53/L.33)

(c) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat) (*continued*)

Draft resolution on revitalization of the United Nations Centre for Human Settlements (Habitat) (A/C.2/53/L.31)

4. **Ms. Wanyonyi** (Kenya), introduced draft resolution A/C.2/53/L.31 on behalf of the Group of 77 and China, and urged the Committee to support its adoption.

(f) Implementation of the Programme of Action of the International Conference on Population and Development (*continued*)

Draft resolution on implementation of the Programme of Action of the International Conference on Population and Development (A/C.2/53/L.33)

5. **Mr. Fahmy** (Egypt), introducing draft resolution A/C.2/53/L.33 on behalf of the Group of 77 and China and the European Union, drew particular attention to paragraphs 3, 4 and 5. He expressed the hope that the Committee would lend its support to the draft resolution.

Agenda item 94: Environment and sustainable development (*continued*) (A/C.2/53/L.11 and Corr.1, A/C.2/53/L.29 and A/C.2/53/L.30)

Draft resolution on international cooperation to reduce the impact of the El Niño phenomenon (A/C.2/53/L.30 and L.11 and Corr.1)

6. **Mr. Prendergast** (Jamaica), Vice-Chairman, introduced draft resolution A/C.2/53/L.30, which he was submitting on the basis of formal and informal consultations held on draft resolution A/C.2/53/L.11 and Corr.1 whose sponsors were now Australia, Mexico, Norway, the Russian Federation and the United States of America and pointed out that some changes had been made to the text. He recommended the draft resolution for adoption by consensus.

7. **Ms. Baturev** (Portugal), **Mr. Rabena** (Spain) and **Mr. McElduff** (Ireland) said that their delegations would have wished to join the original sponsors prior to the submission of the draft resolution by the Vice-Chairman.

8. *Draft resolution A/C.2/52/L.30 was adopted.*

9. *Draft resolutions A/C.2/53/L.11 and Corr.1 were withdrawn.*

(d) Convention on Biological Diversity (*continued*)

Draft resolution on Convention on Biological Diversity (A/C.2/53/L.29)

10. **Mr. Kebede** (Ethiopia), introducing draft resolution A/C.2/53/L.29 on behalf of the Group of 77 and China, drew particular attention to the fifth preambular paragraph and to paragraphs 1, 2, 4, 6, 7 and 10. He expressed the hope that the Committee would support the draft resolution.

Agenda item 96: Training and research (*continued*) (A/C.2/53/L.32)

(b) United Nations Institute for Training and Research (*continued*)

Draft resolution on United Nations Institute for Training and Research (A/C.2/53/L.32)

11. **Mr. Hapsoro** (Indonesia) introduced draft resolution A/C.2/53/L.32 on behalf of the Group of 77 and China and expressed the hope that the Committee would respond positively to it.

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) (*continued*) (A/C.2/53/L.27)

Draft resolution on implementation of the first United Nations Decade for the eradication of poverty (1997–2006) (A/C.2/53/L.27)

12. **Ms. Djatmiko-Singgih** (Indonesia) introduced draft resolution A/C.2/53/L.27 on behalf of the Group of 77 and China and expressed the hope that it would be given favourable consideration.

Agenda item 95: Operational activities for development (*continued*) (A/C.2/53/L.9)

Draft resolution on preparations for the special session of the General Assembly in the year 2001 to review the achievement of the goals of the World Summit for Children (A/C.2/53/L.9)

13. *Draft resolution A/C.2/53/L.9 was adopted.*

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) (*continued*) (A/C.2/53/L.18)

Draft resolution on the International Year of Microcredit, 2005 (A/C.2/53/L.18)

14. **Ms. Kelley** (Secretary of the Committee), responding to questions by a number of delegations, said that since the mandating resolution for the report of the Secretary-General on the question of microcredit, namely, General Assembly resolution 52/194, had been adopted under the item entitled implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006), the Secretariat had deemed it preferable to issue the draft resolution in question under the same item rather than to divide consideration of the topic between two different agenda items.

15. *Draft resolution A/C.2/53/L.18 was adopted.*

Agenda item 114: Programme planning (A/53/16; A/53/6, Programmes 18, 20 and 28; A/C.2/53/5)

16. **The Chairman** drew the Committee's attention, in particular, to a letter dated 26 October 1998 from the Chairman of the Fifth Committee to the Chairman of the Second Committee, which had been circulated as an annex to document A/C.2/53/5.

17. **Mr. Hapsoro** (Indonesia), noting that the Committee for Programme and Coordination (CPC) was awaiting the Second Committee's views on its proposed revisions to the medium-term plan, requested additional time for the Group of 77 and China to discuss the matter.

18. **Ms. Woergetter** (Austria), speaking on behalf of the European Union, said that, the European Union was prepared to endorse the recommendation on programme planning, as contained in the report of the Committee for Programme and Coordination (A/53/16).

19. **Mr. Gaydos** (United States of America) expressed strong support for the practice of seeking input from the relevant substantive bodies on proposals concerning programme planning prior to their adoption by the Fifth Committee. His delegation welcomed the recommendations of the Committee for Programming and Coordination looked forward to their expeditious adoption.

20. **Ms. Fahmy** (Egypt) agreed that more time was needed in order to study the recommendations in the light of the letter from the Chairman of the Fifth Committee (A/C.2/53/5). He pointed out that the Committee should not discuss the priorities contained in the medium-term plan. Indeed, there was no mention of the reordering of those priorities in the letter from the Chairman of the Fifth Committee.

21. **Mr. Pedroso** (Cuba) supported the remarks made by the representatives of Indonesia and Egypt. It was vital for the Second Committee to submit its views on the CPC proposals, preferably in the form of a decision.

22. **The Chairman** said that the Committee would resume its consideration of the matter the following week.

Agenda item 12: Report of the Economic and Social Council (A/53/3, A/53/173–E/1998/87 and A/53/406)

23. **The Chairman** drew attention to the Chapters of the report of the Economic and Social Council (A/53/3) that were relevant to the Second Committee, namely, Chapters I to V, VIII (sections A to C and E to H) and X.

24. **Ms. Vasisht** (United Nations Population Fund), introducing the report on the United Nations Population

Award (1998) contained in document A/53/406, said that the 1998 award in the "individual" category had been conferred on Professor Wynter of Jamaica and, in the "institutional" category on the Sabiny Elders Association of Uganda.

25. She drew attention to paragraph 9 and noted that consideration had been given to the possibility of seeking additional contributions from existing donors and seeking new donors.

26. **Mr. Bertucci** (Department of Economic and Social Affairs), introducing the report of the Secretary-General on the implementation of General Assembly resolution 50/225 (A/53/173–E/1998/87), said that the report reviewed the contributions of the Thirteenth and Fourteenth Meeting of Experts on the United Nations Programme in Public Administration and Finance (paras. 7 to 13); described the impact of the Secretary-General's reforms in the economic and social sector of the United Nations on activities in public administration and development (paras. 14 and 15); and highlighted steps taken to enhance the coordination of the activities of the United Nations system in the field of public administration and development. He drew attention to paragraph 101, in which the Secretary-General supported the recommendations of the Fourteenth Meeting of the Group of Experts, including its suggestion that a more comprehensive and in-depth review should be carried out in the year 2001.

Organization of work

27. **The Chairman** drew the Committee's attention to document A/C.2/53/6, which contained a letter from the Chairman of the Fifth Committee to the Chairman of the Second Committee, requesting the Second Committee to resume its general discussion on agenda item 93 and in particular on the report of the Secretary-General on the utilization of the development dividend (A/53/374), and to communicate the outcome of its deliberations to the Fifth Committee. He said that any delegation that wished to make a statement could do so on 16 November.

Agenda item 91: Macroeconomic policy questions (*continued*)

Panel discussion: "Is there a third way?: States and markets in socio-economic development"

28. **The Chairman** introduced the panellists as follows: Mr. Giddens, Director of the London School of Economics and Political Science; Ms. Lim, a Professor at the University of Michigan; Mr. Baudot, Secretary of the Copenhagen Seminars for Social Progress; and Mr. Pianim, from New World Investments, and invited them to consider whether there was a third way between, on the one hand, a minimalist State and neoliberal capitalists and, on the other hand, the social welfare State.

29. **Mr. Giddens** (London School of Economics and Political Science) said that the "third way" was not so much an attempt to establish a way between socialism and neoliberalism as a way to go beyond them. Third-way politics advocated dynamic political leadership that transcended the socialist view of Government as a panacea, which had predominated for about twenty years after the Second World War, and the neoliberalist view of the market as a cure-all. To some extent, it departed from the traditional division between left-wing and right-wing politics to focus on an active political centre which embraced issues important to both sides, including the environment and globalization. Third-way politics was aimed at combining economic development with concern for social values and the protection of vulnerable groups, a key objective of the centre-left political current in Europe and, to some degree, in the United States of America.

30. Third-way politics had a number of main features. First, it sought to reconstruct government itself, by making big governments more effective through, inter alia, constitutional reform, greater transparency and greater legitimacy, e.g., restoring trust in political leadership through partnership between government and economic enterprise. The second feature was reconstruction of civil society at the local, national and global levels through a partnership between an active government and non-governmental entities. The third feature was reconstruction of the economy at the local, national and global levels. The old debate over nationalization versus privatization was being replaced by the search for an appropriate relationship between deregulation and regulation. As the experience of the Russian Federation had proved, a framework of social institutions was crucial to the success of a market economy.

31. Fourth, the welfare State must become responsive to the major issues of the times, such as the relationship between globalization and everyday life. In that connection, the balance between risk and security was crucial as a link between public policy and economic development. The new welfare State must recognize risk as a mobilizing feature that should not be consistently controlled. Fifth, third-way politics called for ecological reform and the recognition of a new alliance between economic development and ecological progress.

32. Lastly, the crucial debate on global governance must consider both the possibility of democratizing above the level of nation-State, as exemplified by the European Union,

and the regulation of the global economy. There was as yet no clear consensus on economic regulation but the political will to achieve it was increasing. Declaring the era of neoliberalism over, he predicted that the third-way concept would dominate political thinking for the next 20 years.

33. **Ms. Lim** (University of Michigan) said that she did not believe that there was a single "third way" that was equally applicable in all countries. Instead, every country must craft the particular combination of State and market policies that were appropriate to its individual circumstances.

34. The recent experience of Asian developing countries hit by the regional financial crisis had underscored the importance of proper macroeconomic policy management; macroeconomic policy was the purview of the State. In order to successfully manage the economy the State must have the necessary capacity, in terms of administrative authority and technical expertise, and the necessary autonomy, that was to say, it must not be subject to pressure from sectional domestic political interests. Those Asian countries whose macroeconomic fundamentals had deviated least from safe levels of current account balances, domestic and external debt and foreign reserves had fared much better in the crisis. The Philippines was an interesting example because despite the well known structural flaws in its economy, it had succeeded, thanks to responsible and responsive macroeconomic management, in containing the damage. In other words, good macroeconomic management could cover many microeconomic sins in terms of structural inefficiencies.

35. Open capital markets increased the disciplinary pressure on domestic policy makers to maintain good macroeconomic fundamental. It was prudent for countries to delay opening their capital accounts if they lacked the domestic and political institutional infrastructure to maintain such strict macroeconomic discipline, but there was a risk that insulating macroeconomic management from the discipline of free capital flows could reduce the incentive for Governments to undertake required financial sector reforms, especially when facing domestic political pressure not to do so. Whatever the policy chosen, adequate State capacity, integrity and autonomy were absolutely essential to maintaining macroeconomic stability.

36. In order to prevent devastating capital flight, market actors must believe that sound macroeconomic management policies would continue to be pursued in the future. The unexpected severity of the Asian crisis had been caused by the flight of domestic capital. Shoring up domestic confidence in government management — which required the insulation of policy from political and vested interests interference was therefore crucial.

37. Despite its small size and very open economy, Singapore had weathered the crisis rather well. Its economy had done well for decades by following free trade and capital flow policies, but they had gone hand in hand with an activist "developmental state" which had taken advantage of external market opportunities while mitigating the worst effects of external market volatility and dependence. A proactive industrial policy had built up a globally oriented manufacturing sector which had been relatively untouched by the regional crisis. Without government actions to encourage comparative advantage in that area, Singapore might have been as vulnerable as Hong Kong, which had relied on static comparative advantage in financial and business services. Hong Kong's currency board system had also fared less well than Singapore's managed-float system. Domestically, the Singapore Government exerted significant control over factor markets, providing the State with many potential policy levers with which it could adjust the economy to cyclical downturns and external shocks.

38. The Singapore model suggested one version of a "third way" — maintenance of a private-enterprise economy, but one which was nurtured and shaped by State macroeconomic and microeconomic policy interventions. There were significant dangers inherent in the State acting as both driver and stabilizer of an economy, as it required a degree of State capacity and autonomy which might not be readily assured. Sound legal, financial and commercial institutions to facilitate private market activity were also required. Thus, it was not necessarily a way that other nations should follow. Rather, each country needed to develop a unique policy package which was feasible and appropriate to its own individual circumstances.

39. **Mr. Baudot** (Secretary of the Copenhagen Seminars for Social Progress) said that in seeking the "third way", it was necessary to strengthen not only Governments, but States. Globalization had produced a rupture between production and the provision of services; in many political systems there was hesitation between choosing the advantages of democracy over the equal advantages of technocracy. Culture norms and value systems underlying society were evolving and there was a great deal of moral and intellectual uncertainty. In general, the world was becoming a more dangerous place, and national and global cooperation was more necessary than ever. Moreover, strong States, with a true national identity, could delegate some degree of authority and sovereignty to a regional organization, without losing that identity.

40. In his view a strengthened modern State had five main duties. The first was to provide an economic foundation for the livelihood of each individual. Market concepts made that objective feasible, but State authority must exert some control in order to avoid the natural tendency to concentrate economic power. Next in importance was the duty to promote the individual, through education to provide knowledge and skills; every great prophet in human history had been an educator. Third, the State must return to the path of social justice and equality for all its citizens. It also had a duty to provide protection and security to its citizens and to act as guardian of their human rights. Finally, the State must contribute to the building of a national culture and community that would, in turn, lead to a new universalism. The State was not the only actor in the culture and should not be the main one, but its role was to create the conditions required for that culture to emerge.

41. There were two possible approaches to strengthening the State. First, the distinction between public and private must be reinvented. In recent years there had been many efforts to enhance cooperation between the State and the private sector and the State and civil society, but it must be acknowledged that their roles were different and should remain so. The market must be seen as a means to an end; the role of the State in the market was to provide it with room to manoeuvre. Secondly, the State must set the tone for a society. The concept of service to the community implied effort and sacrifice. For example, in order truly to reduce poverty, the concept of moderation and frugality would need to be introduced. In conclusion, he called for a balance between pragmatism and idealism in seeking the common good.

42. **Mr. Pianim** (New World Investments) said that to the extent that the "third way" was defined as freedom from the constraints of the ideological divide and the rigidities of the welfare state and capitalism, it could facilitate the search for a framework for redefining the role of the State in an increasingly interdependent world economy which must be based on genuine partnership in order to be sustainable.

43. In the past, "first world" concerns had tended to shape the agenda for change. The structural adjustment programmes, whose social effects were being borne by the poorest segments of the world population, had been shaped by the Reagan-Thatcher revolution which had sought to redress the perceived excesses of the welfare state by establishing the minimalist state. The concept of structural adjustment itself had been adapted from the reconstruction of devastated economies after the Second World War. After almost a decade of structural adjustment, the failure of the programmes to sustain growth had been ascribed to a lack of supply response, especially in the developing nations of Africa. No account had been taken, however, of the fact that their markets were in an embryonic state and needed to be nurtured into viable instruments for allocating scarce resources. The proactive role of the State in the Asian economic miracle and those countries' strategic access to the richest market in the world, the United States of America, for their manufactured goods, had also barely been mentioned.

44. Third-way politics and economics were being shaped largely by the need of reforming centrist governments of western Europe and North America for an intellectual and philosophical framework to correct the perceived excesses of the welfare state while harnessing market forces for social and economic progress. Issues of building trust in State institutions and increasing popular participation in decision-making informed the debate. There was also an impetus to update the competence and capacity of the State to make it an adequate partner and manager of the emerging information-based economy and society. In a more holistic re-reading of Adam Smith, an important part of the debate was injecting social conscience into market operations. Smith had not envisaged market forces and enlightened self-interest working for the common good without strong moral grounding, self-discipline and justice. The current debate therefore contained elements and principles which could be raised to the global level to provide the broad framework for reconstructing the role of the State in a new international order based on trust, international solidarity and genuine partnership.

45. The "third way" should focus on the essence of such concepts as democracy, good governance, decentralization, partnership and solidarity. Without an answer to the question of what constituted social progress, it would not be possible to monitor whether institutions were making progress towards the goals the State had set for them. The role of the State should be based on the engineering principle of dynamic positioning, which implied that it would differ at different stages of economic and social development. In the rapidly changing international economic environment, its role must also be based on the principle of critical interventionism. That proactive approach would permit the State to act nationally and internationally in promoting shared goals in pursuit of social progress.

46. Steps should be taken to democratize the international development institutions so that their decisions and policy-making processes reflected the concerns of the developing world. If the "third way" was to attract the attention of developing nations, it must be perceived as credible and objective. The principles of fair play, justice and solidarity

must apply not only in the national economies of the developed world, but in relationships with the developing world. Negotiation of international trade agreements, for example, must not be carried out in an atmosphere of parochial national interest but in seeking the interests of all. The moral dimension of the "third way" provided an opportunity for the developed world to assist in redesigning a State which would minimize corruption. If the international business community were to be made answerable to the communities in which it did business, a State capable of protecting the interests of all, especially the weak, might become a reality.

47. As for the role of the United Nations in rethinking the State, he said that the organization should provide a forum for the discussion of development assistance programmes in an atmosphere of partnership and dignity. In addition, there would be a need for objective indicators for monitoring progress towards the goals of democracy, good governance, human rights, transparency and decentralization; an organization like the United Nations was in the best position to meet that need.

48. In conclusion, if redesigning the State was to engage the full commitment of member States, there must be a focus on the essence of the principles while allowing States to choose the particular structures and instruments for realizing them. Broad-based discussions must be encouraged in order to achieve understanding of the goals and improve the chances for implementation once the "third way" was accepted as a viable framework for redesigning the State into an efficient tool for social progress.

49. **Mr.Gooderham** (United Kingdom) wondered what the implications of third-way politics were for the United Nations and its work, and what role the Organization would play in the context of global governance and greater democratization at the supra-national level. While the process of globalization often led to devolution of power and authority, there was also a competing need to involve civil society and the private sector more fully in the decision-making process. He wondered how the United Nations could reconcile those contrasting tensions.

50. **Mr. Kiwanuka** (Uganda) said that third-way politics were the fruit of the post-Thatcher, post-Reagan era, representing an attempt to restructure management of the State. However, nearly three quarters of those present at the current session came from countries whose development was still at the level of basic needs. Those countries needed the Government to play an active role in mobilizing domestic and external resources, building infrastructure and democracy and establishing a basis for good governance. The panellists needed to acknowledge that fact. Despite the problems in Asia, Africa continued to feel it had something to learn from that region which had accorded the State an active role in economic development.

51. **Mr. Čalovski** (The former Yugoslav Republic of Macedonia) wondered what the United Nations could do to enhance its role and if the panellists thought that the United Nations needed to abandon the concept of inter-dependence, which none of the panellists had mentioned, and revise the Charter as some of their statements implied it should.

52. **Mr. Verbeek** (Netherlands) said that while some of the panellists had argued for strengthening the role of the State, there were processes at work that moved in the opposite direction. He wondered how it was possible to be realistic about the emergence of other actors in the international arena, while allowing more space for the development of democracy and wider participation. He wondered how Mr. Giddens, who had talked about democratization of world economic management, viewed cooperation between the United Nations and other international institutions in that area. He was grateful to Ms. Lim for pointing out that third-way politics did not impose a single paradigm to be applied in a uniform manner.

53. **Mr. Jayanama** (Thailand) wondered if Ms. Lim could offer a view as to what kind of political system was required to support third-way economic systems such as the one she had described.

54. **Mr. Cui Tiankau** (China) said that he agreed that all models were useful, but none were absolute. As long as States provided effective government, efficient market mechanisms, economic growth, environmental improvement, social justice and the promotion of a caring society, they could each have their own "third way". Global governance had come onto the international agenda in the last decade, in response to the concerns of more prosperous States. The United Nations was looking for a new mandate and mission in the context of globalization. He wondered how the ideas presented by the panel could be translated into international cooperation and a response for the United Nations.

55. **Mr. Kvalheim** (Norway) said that the term "third way" was not a new one, particularly in Scandinavia, although its meaning was being continuously redefined. He was heartened by the emphasis that had been placed on the role of the State in providing education and social services. Those areas, which represented a long-term investment in the future of a country, had been accorded too little attention in multilateral development strategies. The United Nations had long advocated improvement of education and social services, but had been hampered in its work by stagnating

or dwindling resources. He wondered if the panellists had any ideas as to how the United Nations could secure the political commitment to providing it with adequate resources.

56. **Mr. Sibeko** (South Africa) said that Africa had been marginalized by the globalization process and flows of foreign direct investment to the continent had been negligible. He wanted to know what the "third way" had to offer to Africa.

57. **Mr. Brauzzi** (Italy) wondered what the "third way" could suggest in terms of combining ownership of development with global cooperation in the context of the United Nations.

58. **Mr. Giddens** (London School of Economics and Political Science) said that while there were indeed different forms of third-way politics, they all had common elements relating to reconstruction of Government and the economy, using a common framework. Since that process applied to all States, it had important implications for the United Nations.

59. He was less sanguine than others that Singapore would continue to be spared the after-effects of the Asian crisis. While no one knew if a second wave of shocks would pass through the States that had so far weathered the crisis, it was important to prepare for that contingency, both in Asia and elsewhere.

60. He disagreed with the views expressed concerning the role of the State and felt that it was a mistake to try and revive the State rather than focus on Government and governance at different levels. Third-way politics posed questions about what kind of Government was compatible with the need for increasing individual freedom and what kind of welfare system was most appropriate in the modern world.

61. The role of the United Nations was fundamental in the context of globalization. At one level, globalization stripped the State of some of its former areas of responsibility. At another, it had a "push down" effect, expressed in the movement towards greater decentralization. Finally, it gave rise to new "lateral" arrangements, through formation of new regions and regional groupings. It was for Government to track those movements and respond accordingly. The United Nations should change its vision of the Organization as an international body that was essentially an association of States and develop instead a transnational identity, helping it to intervene in areas, domains and issues where it could not currently take action.

62. **Ms. Lim** (University of Michigan) said that her comments had focused on the role of the State in achieving economic stabilization both at the macro and microeconomic levels. In that regard, Governments needed to respond to crisis at the national level by ensuring that their domestic situation was strong and, at the international level, by cooperating with their neighbours to provide buffers against economic shocks. The United Nations clearly had a role to play in the latter.

63. There had been much debate concerning the choice of political system to support third-way economics. Some would argue whether a strong economy under a dictatorship was not preferable to a weak democracy with an unstable economy. One of the benefits of democracy, however, was that popularly elected Governments, such as that in Singapore, had to be accountable to the electorate and provide policies that met their needs. However, it was too simplistic to draw a straight distinction between democratic and authoritarian systems.

64. **Mr. Baudot** (Secretary of the Copenhagen Seminars for Social Progress) said that his comments about States could equally apply to the United Nations. With imagination and conviction, the United Nations could improve its democratization by involving other actors, such as the media and transnational corporations, in dialogue; that would make it more accountable. The United Nations was the only organization to have a global mandate and it should make good use of the resources it had to fulfil that mandate.

65. **Mr. Pianim** (New World Investments) said that the Committee made a useful contribution to economic policy formation, but other institutions needed to do more to create non-adversarial relationships with their development partners. An atmosphere of trust should be created, for example, in trade relations, in order to avoid the impression that the Organization was being used to represent the parochial interests of a few powerful States. The United Nations should shift its focus to welcome representatives from States, as opposed to Governments, allowing greater diversity and richer debate. The Organization also needed better funding in order to fulfil its mandates.

66. For Africa, third-way politics could have something to offer, provided the philosophy was not used as a pretext to hold on to power. Rather, account should be taken of the situation of developing countries and of the good of all, especially during the conduct of negotiations on such matters as trade.

67. There was much to recommend the "third way". The international community should look carefully at the essence

of third way concepts and focus on providing certain minimum requirements to every human being.

68. **The Chairman** said that the discussion represented a first step towards greater participation in efforts to create a more caring society. He said that he looked forward to further discussions of that kind in the Committee.

The meeting rose at 1.05 p.m.